

STATE
COUNTY
CASE NO.
DATE

### TYPE OF LOAN

☐ FO ☐ SW

☐ FO-NFE ☐ RL

☐ RH      ☐ OTHER \_\_\_\_\_  
(SPECIFY)

## SUPPLEMENTARY PAYMENT AGREEMENT

The undersigned (hereinafter call the "Borrower") being indebted for a loan made or insured by the United States of America, through the United States Department of Agriculture (hereafter called the "Government") as evidenced by a note or other debt instrument, (hereafter called the "notes"), dated

\_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_, 19\_\_\_\_,  
and desiring to provide for payment of such indebtedness by a supplementary plan of payments, hereby agrees with the Government, for good and  
valuable consideration, receipt of which is hereby acknowledged, as follows:

**1. THE BORROWER WILL PAY ALL OR PART OF THE INSTALLMENTS OF PRINCIPAL AND INTEREST ON THE NOTES BY MAKING PARTIAL PAYMENTS EACH MONTH AS FOLLOWS:**

(a) FOR THE REMAINDER OF THIS CALENDAR YEAR, BEGINNING \_\_\_\_\_ (month) \_\_\_\_\_ (year)  
\$ \_\_\_\_\_ (amount per month) FOR \_\_\_\_\_ (number) MONTHS.

(b) DURING EACH YEAR FOR THE REMAINDER OF THE TERM OF THE NOTE, BEGINNING JANUARY \_\_\_\_\_:

(year)

JANUARY .....	\$ _____	MAY .....	\$ _____	SEPTEMBER ...	\$ _____
FEBRUARY .....	\$ _____	JUNE .....	_____	OCTOBER .....	_____
MARCH .....	\$ _____	JULY .....	_____	NOVEMBER ....	_____
APRIL .....	\$ _____	AUGUST .....	_____	DECEMBER ....	_____

**EACH PAYMENT SHOWN ABOVE SHALL BE MADE ON OR BEFORE THE \_\_\_\_\_ DAY OF THE RESPECTIVE MONTH INDICATED, AND ANY REMAINING UNPAID PORTION OF THE YEARLY PAYMENT SHALL BE MADE ON OR BEFORE THE ANNUAL INSTALLMENT DUE DATE SHOWN IN THE NOTES.**

2. Nothing herein shall be construed as affecting any of the terms or conditions of the notes or the instrument securing them, other than the payment schedule set forth in the notes,
3. Upon **DEFAULT** by the Borrower in any of the terms or conditions of this agreement, the Government at its option may declare the entire indebtedness of the notes immediately due and payable.
4. This agreement may be canceled or amended at any time by mutual agreement in writing between the Borrower and the Government.

However, if the total indebtedness of the Borrower to the Government is increased because of money advanced pursuant to the terms of the notes, mortgages, deeds of trust, or security agreements or because of a reduction in the amount of interest credit or payment assistance allowed the Borrower under the provisions of the Housing Act of 1949, as amended, this agreement will be modified by the Government to increase the monthly payments of the Borrower in an amount sufficient to pay the entire indebtedness on or before the due date shown in the notes.

Make Check or Money Order payable to		
and Mail or Deliver your payment to		
<i>Street Address or P.O. Box</i>		
<i>Town</i>	<i>State</i>	<i>Zip Code</i>

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*(Borrower)*  


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*(Spouse)*

<u>PROCEDURE FOR PREPARATION</u>	: RD Instructions 1951-E, 1944-D, and 1965-B. FSA Transferred Instructions 1941-A, 1943-A, 1943-B, 1945-C, and 1965-A.
<u>PREPARED BY</u>	: County Supervisor or District Director.
<u>NUMBER OF COPIES</u>	: Original and one.
<u>SIGNATURES REQUIRED</u>	: Original by same person(s) who signed promissory note.
<u>DISTRIBUTION OF COPIES</u>	: When used in connection with new loan, original and copy to docket; when used subsequent to loan closing, original retained in County or District Office; copy to borrower.

### **INSTRUCTIONS FOR PREPARATION**

Used by County Supervisor or District Director when the farm income from which payment is to be made will be received by the borrower substantially before the installation due date, and when appropriate to obtain an agreement for making payments on a Farm Ownership, Farm Ownership-Nonfarm Enterprise, Recreation, Rural Housing, Labor Housing, Soil and Water, Operating, Emergency or Economic Opportunity loan. Ordinarily, the form should be used in the following situations (1) for an applicant, it should be executed in connection with making the loan when the applicant receives regular off-farm income, (2) for other applicants, it should be executed in connection with making the loan when the County Supervisor or loan approval official believes such an agreement will facilitate the servicing of the account, and (3) for a borrower who does not have a Form RD 440-9 in effect, it should be used when the borrower has failed to make payments or the County Supervisor or District Director has had difficulty in collecting such payments because the dates income is available does not coincide with the installment due date on the note.

The County Supervisor or District Director may change or cancel Form RD 440-9; however, if Form RD 440-9 was executed in connection with make the loan and the loan approval official make the use of the form a special loan approval condition, the concurrence of the loan approval official should be obtained before cancelling the agreement.

- (1) Insert (a) State and (b) County in which farm or building site located, and (c) borrower's case number. When multi-housing projects are involved also insert the project number immediately after the case number.
- (2) When used in connection with new loan, the form will be executed and dated at the time of loan closing. When used subsequent to loan closing, insert date form is executed.
- (3) Check type of loan involved. For RRH, LH, OL, EM or EO loan check "other" and "RRH, LH, OL, EM or EO" as appropriate.
- (4) Insert date of promissory note or other debt instrument. When used in connection with new loan, date of note will be inserted at the time of loan closing.
- (5a) Insert (1) month and year in which payments will begin, (2) amount per month and (3) the number of months remaining in that year in which payments will be made.
- (5b) Insert year which will be the first full year after year above in (5a) and amount of proposed payments each month. Usually, no payments should be scheduled for December for loans to individuals and whenever practicable, payments also should be omitted for November. If necessary to help a family receiving regular nonfarm income budget its operating expenses, loan payments, may, in lieu of omitting the November payment, be omitted for the month or months in which taxes and insurance before due.
- (6) Monthly payments should, whenever possible, be scheduled on the same day of the month as the loan closing date with the exception that payments on loans closed after the 24th of a month will be scheduled during the first five days of a month.

When used in connection with new loans, insert this information prior to action on loan by loan approval official. When occasions occur to change existing supplementary payment agreements they should be revised in accordance with this policy.

When used for multi-housing loans insert installment amounts in accordance with the borrower's repayment ability. The installment amounts should be based on adjustments to the installments set out in the note, and any interest credit agreement in effect, taking into consideration that payments will be applied in the normal manner. Therefore the installment amounts to be recorded should *not* reflect adjustments for rental assistance or overage/surcharge.

- (7) Type names exactly as typed on promissory note.
- (8) Signatures will be the same as typed below the line.
- (9) Insert mailing address of the Servicing Office to which payment is to be made. If Direct Payment borrower, insert "Direct Payment."